



ECLOF

Philippines

2019

Consolidation Towards Sustainable Growth

NON FINANCIAL SERVICES

Client Services Community Outreach



SYSTEM



MF NGO LAW

LIFE PROGRAM



ANNUAL REPORT 2017



2018

FINANCIAL PRODUCTS & SERVICES
Agri - MF, MNS

RESPONSIBLE PARTNERSHIPS TOWARDS INCLUSIVE GROWTH





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OUR HISTORY

In 1972, ECLOF started as a desk created by the National Council of Churches in the Philippines (NCCP) to grant loan to its member churches. In 1995, it became an independent entity and was registered at the Securities and Exchange Commission (SEC) as Ecumenical Church Foundation, Inc, to extend its loan services not only to churches. In 2001, ECLOF began to operate as a microfinance institution.

Through the years, ECLOF continues to grow and expand its program and services by establishing different Unit Offices in North Luzon, South Luzon, and Palawan. These Unit Offices offer agri microfinance; entrep loans or Micro Negosyo at Serbisyo through group loan, individual loan, and job generating loan; Small Medium Enterprise (SME) and Institutional Loans. They also provide microinsurance and savings program to clients.

In 2010, the Board of Trustees made a strategic decision to focus on agricultural microfinance and increase ECLOF's agri portfolio to 60%.

Starting 2015 until the next five years, ECLOF aims to expand into the three (3) regions of Luzon, Visayas and Mindanao, reaching out to 50,000 clients. To achieve this, ECLOF will continually develop responsive relevant products and services and increase its organizational sustainability.

In 2017, the organization formally adopted the name ECLOF Philippines Microfinance, Inc. in accordance to the MF NGO Law that requires all microfinance organizations to indicate in its name the word microfinance. ECLOF has a total of 23 Unit Offices. It continues to provide responsive and relevant products and services to its clients by institutionalizing a one stop shop program in all of its Unit Offices. This year marks the third year of ECLOF's strategic plan to reach 50,000 clients, in 3 regions, by 2019.

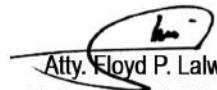
MESSAGE FROM THE CHAIRPERSON



We are treading on the course of an exciting trajectory. Indeed, it is the time to celebrate and express our collective thanksgiving. It is also the time when we again gather to renew our mutual commitment to work for the betterment of God's vineyard in these islands. It is this commitment that led our founding forebears to establish ECLOF Philippines and it is this commitment that our members and partners continue to support and grow our organization. It is therefore in this light that our General Assembly assumes paramount significance because without the renewed declaration of our shared vision, we drift into the world of profit-making and self-focused corporate enrichment.

As we congratulate our board, management, field staff and GA members for the growth of our net worth and our consistent positive performance in recent years, we also continually remind ourselves that the reason for all our efforts is to serve the people of God, alleviating their poverty so that they can truly enjoy Christ's promise of abundant life for all. Our theme "Consolidation Towards Sustainable Growth" must be understood in terms of our service and our impact upon the lives of our people.

And so even in the midst of the sizzling hot temperature we are now facing in the metropolis, we still warmly greet each other in this year's General Assembly as we all pray and look forward to another fruitful and meaningful year ahead!


Atty. Floyd P. Lalwet
Chairperson Board of Trustees

MESSAGE FROM THE EXECUTIVE DIRECTOR



The year that was, marked the start of sustainable operations for ECLOF Philippines. When the barrier of cumulative losses was broken in 2016, it signaled the start of a continuous effective and efficient operations. With meager resources, during the last 5 years, the Organization managed to recover with consistent income each year thereafter.

The year 2017 represents the 3rd year of ECLOF Philippines' implementation of its five-year (2015-2019) strategic plan. Reliable system is in place, responsive and relevant products and services are being carried out by our committed people in the field, with competitive leaders with integrity stood their ground and Churches who invested trust and fund, altogether moved forward without looking back on the mountainous challenges they have traivalled, ECLOF conquered!

At the end of the year, operations became better, serving 26,429 clients with total portfolio of PhP258.5M, after disbursing PhP485.4 Million. The positive Net Worth, after the breakthrough last year with PhP3.9M, and the result of consistent yearly income is now at PhP7.4M. With the ongoing transition of Institutional and SME loan products, ECLOF reached almost 70% of its portfolio as agricultural loans, while 27% for the newly launched entrepreneurial loans.

Treading the path for the success of achieving ECLOF's strategic direction, consolidation for sustainability is vital. This very year, consolidation for the products, systems, and even structures are started, in preparation for a more sustainable operations. Products for entrepreneurs are implemented, consolidating it with the Agricultural loans and other services; each Unit Offices expanding and consolidating to a branch as One-Stop Shop for the micro-clients in every community. Systems for managing our people, processing and delivery of operations, monitoring and recording that geared towards consolidation for a more responsive service, is currently on its way. The MF-NGO Structure, including the SME loan operations, and the future Financing company will consolidate and solidify ECLOF's positioning in the Microfinance Industry -- offering a wholistic and sustainable operations, resulting to more client impact in the communities we serve.

As we put our hands in the plow, recognizing the source of every resources we have and making full use of it, like that of the five loaves of bread, whatever is limited can be multiplied to feed great multitude. To God be the glory!

"So when they were filled, He said to His disciples, "Gather up the fragments that remain, so that nothing is lost." Therefore they gathered them up, and filled twelve baskets with the fragments of the five barley loaves which were left over by those who had eaten." John 6:12-13 NKJV

Rosemarie C. Castro
Executive Director

I. PORTFOLIO PERFORMANCE

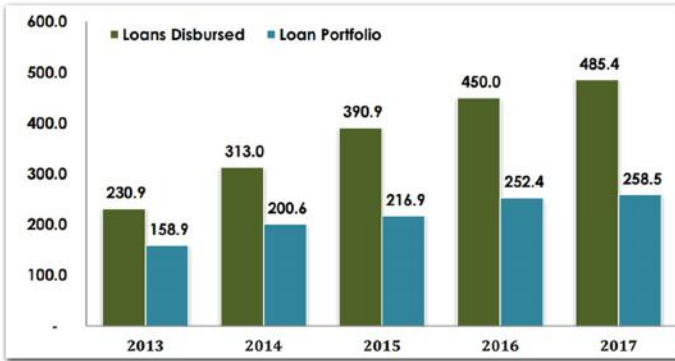


Chart 1: 5-Year Loan Disbursement and Portfolio trend (in Millions PhP)

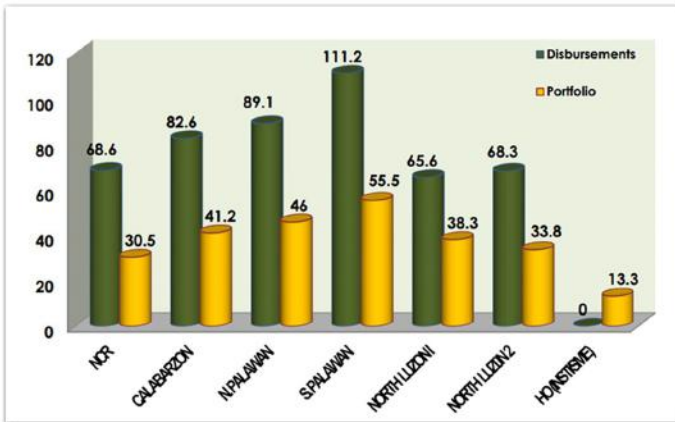


Chart 2: Portfolio and disbursement Shares per Area (in Millions PhP)

South Palawan maintained its being the highest contributor in Disbursements and Portfolio in the past 2 years. All its three (3) Unit Offices (Quezon, Rizal & Brooke's Point) maintained their being in the top 3 highest contributors, with a total of PhP111.2M disbursement and PhP55.5M total portfolio. North Palawan with the consistent contribution of Narra and the strength of Taytay's entrepreneurial loans placed at second with most contribution for both disbursement and portfolio, with PhP89.1M total disbursement and PhP46.0M portfolio. The third with the most contribution, both in terms of disbursement of PhP82.6M and portfolio of PhP41.2M is CALABARZON, as Infanta Unit Office consistently contributed quality portfolio during the year. HO performance is a reflection of transitory portfolio pertaining to Institutional and SME loans.

The top branches for collection performance are South Palawan with PhP99.6M, NCR with PhP75.5M and North Palawan with PhP75.1M.

2017 PERFORMANCE HIGHLIGHTS-OPERATIONS

ECLOF operations registered continuous growth during the past 5 years by reflecting consistent improvement in its loan portfolio performance in terms of disbursements and outstanding loan portfolio. Loan Disbursement significantly improved with an increase of more than double from PhP230.9M in 2013, to PhP485.4M by the end of 2017. Loan Portfolio also shows an increase of almost two times from PhP158.9M in 2013 to PhP258.5M by the end of 2017.

The last 5 years' average increase in Loan Portfolio is at 16% every year, while Loan Disbursement is at 30% and the average increase in collection is at 70%.

The improved performance in loan disbursements of PhP485.4M and loan portfolio amounting to PhP258.5M in 2017 were contributed by the good performance of the branches from the six (6) emerging Areas; namely a) National Capital Region (NCR) covering Marikina, Cainta & Quezon City Branches; b) CALABARZON with Laguna and Tanay-Infanta Branches; c) North Palawan with Puerto Princesa, Narra & Taytay-El Nido Unit Offices; d) South Palawan with Quezon, Rizal & Brooke's Point Unit Offices; e) North Luzon 1 with Baguio-Atok and La Union Branches; and f) North Luzon 2 with Abatan and Nueva Vizcaya Branches. Head Office (HO) reflects the Insti/SME Loans to the Churches, Schools, Cooperatives and SME clients.

2017 PERFORMANCE HIGHLIGHTS-OPERATIONS

I. PORTFOLIO PERFORMANCE

In building sustainable operations, ECLOF Philippines consciously target balanced portfolio mix by minimizing the risk and exposure in agri portfolio and strengthening the provision of loans to entrepreneurial clients while its Institutional and SME products are in transition to another mode of operations.

The launching the Product Mix during the 2nd half of the year gained momentum during the last quarter and contributed to the movement in Portfolio Mix. Agri-Loans had a favorable decrease from 73% share last year to 68% this year. In transition SME and Institutional Loans are also with decreasing share from 8% to 5% as the Micro-Entrepreneurial loans gaining increasing share in the portfolio performance from 19% last year to 27% at the end of 2017.

Both Institutional and Agricultural Loans registered a decrease in the portfolio amount and rate compared to last year. Institutional Loans with 8% share amounting to PhP20.9M last year closed this year with 5%, which is PhP13.3M. The Agricultural Loans with PhP184.3M last year to PhP175.9M this year, registered a portfolio share from 73% last year to 68% this year.

The Entrepreneurial Loans representing 19% of the total portfolio at PhP47.2M last 2016 increased to 27% share this year with PhP69.3M loan portfolio: MNS or Micro Negosyo and Serbisyo Group Loans with PhP23.0M, MNS-Individual Loans with PhP36.8M and MNS-JobGen or Job Generating Entrep Loans with PhP9.5M portfolio at the end of 2017.

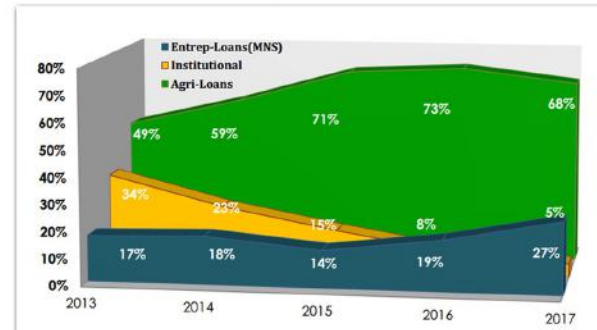


Chart 3: 5-Year Loan Portfolio Share per Product Trend

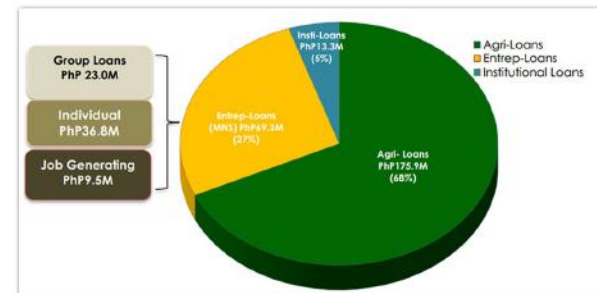


Chart 4: Loan Portfolio Distribution per Product

II. CLIENT OUTREACH

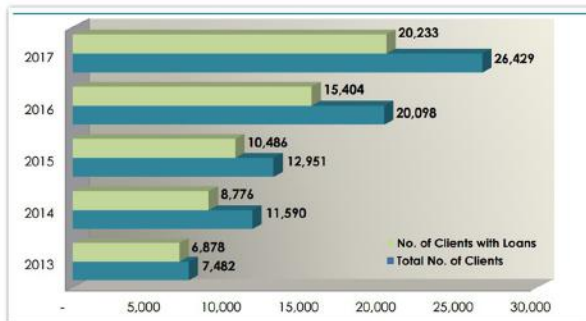


Chart 5: Total Clients and Active Clients Trend

Client outreach reflected a consistent growth in the last 5 years, from a total of 7,482 in 2013 to 26,429 at the end of 2017. Active Clients or clients with loans also registered an increase equivalent to three times in 5 years, from 6,878 in 2013 to 20,233 in 2017.

The increase in total clients during the year is at 32%, from 20,098 in 2016 to 26,429 at the end of 2017. This is a bit lower than last year's increase of 55% due to some challenges in hiring operations staff during the 1st semester. Branch expansions are toned down to usher consolidation of Unit Offices and portfolio mix implementation; while effective staff hiring only started during the 2nd semester of the year. Since majority of the portfolio is Agri-loans, average of more than 3,000 clients are resting after cropping season.

II. CLIENT OUTREACH

Client shares per area were mostly contributed by the branches that started the implementation of MS-Group Loan and other Entrep Loans. North Palawan contributed the most clients with 5,036 total clients through its Taytay and Puerto Princesa Unit Offices which started implementing MNS Loans during the 1st and 2nd semester of 2017. NCR, while expected to bring in the number of clients through MNS loans, contributed with 4,910 clients because of the last quarter's full implementation of the MNS loans by Cainta and Marikina Branches, making them the 2nd top contributor. CALABARZON is the 3rd top contributor with 4,605 total clients because of Infanta Unit Office's consistent top performance during the whole year.

III. PORTFOLIO QUALITY

During the last five (5) years, Portfolio At Risk (PAR) performance is steady at double digit. The lowest PAR during the last decade is at 16% in 2015, while the highest is at 28% in 2011. The Past Due that is maintained at 14% during the early three years in the last five years, started to increase from 17% in 2016 to 18% in 2017 due to the development, introduction, transition and implementation of new products other than Agri-Loans to secure ECLOF's sustainability in the future. The 18% year end Past Due Rate which has a total portfolio balance equivalent to 19% PAR consists of Agri-Loan PAR share of 57%, while SME/Institutional loans represent 12% and MNS Loans is 31%. The closer the rates of at-Risk and Past Due meets, the longer the portfolio with arrears aged and remained uncollected. The 19% PAR in 2017 includes 14% Past Due and long overdue uncollected Agri-loans. The PAR increase during the last two years is a result brought by the entrepreneurial loans which can be easily collected within the period of 6-12 months as collection and cash flow is actively working on a daily, weekly and even monthly schedule.

Half of the seven areas registered significant improvement, while the other half registered unfavorable increase. Those with most improved collections and PAR rates are areas that implemented Entrep Loans: NCR with its Cainta, Marikina and QC Branches have brought the PAR down to 21% from 34% last year; North Palawan with Puerto Princesa Unit Office recovering from old time high PAR and Taytay-El Nido's full blast MNS product promotion, PAR decreased to 15% from 25%; La Union with PAR of 35% last year to 31%; and South Palawan with its consistent good performance in the Agri-loans of Quezon, Rizal and Brooke's Point Unit Offices, reached the lowest PAR for an area with 3%.

2017 PERFORMANCE HIGHLIGHTS-OPERATIONS



Chart 6: Clients Share per Area

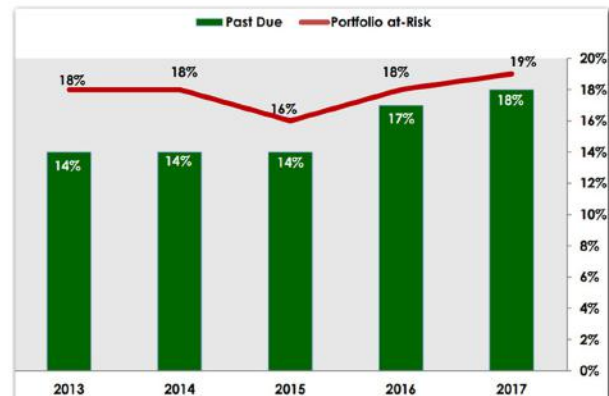


Chart 7: Portfolio at Risk and Past Due Rates Trend

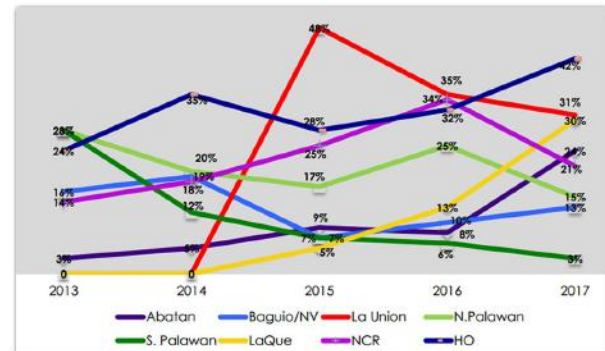


Chart 8: PAR Rate Trend per Branch



ORGANIZATIONAL HIGHLIGHTS – OPERATIONS

TOP PERFORMERS



QUEZON UNIT OFFICE

Program Supervisor: **Nestor Deramas**



SOUTH PALAWAN BRANCH

Branch Manager: **Johnel Cinco**



PALAWAN & INTER-ISLAND

Branch Managers:

Andrew Farner Aguila (North Palawan)
Johnel Cinco (South Palawan)



TOP PROGRAM OFFICERS



LYNARD JORILLO
(Unit Office: Brooke's Point)

Lynard is an Agri Program Officer of Brooke's Point Unit Office, Palawan since October 2015. During this time, Brooke's Point's operational performance was struggling and suffering from a fraud committed by a previous employee. Lynard was assigned to handle most of these remedial accounts which were located in the southern part of Bataraza. Despite the long distance travel, his supervisor, PS Tirso, described that he was always eager to go to the field in order to serve the clients. In time, there were significant changes especially in the attitude of the clients and it contributed a positive effect to the operational performance of the Unit Office.

Thereafter, Lynard was re-assigned to the Poblacion of Brooke's Point and he continues to perform very well. As a matter of fact, he has achieved his KRA's for the quarter.

Lynard is a responsible man, not only with his work but also with his family and the community. His supervisor added that Lynard has leadership skills and had in fact been assigned as his officer-in-charge when he's out of the office. Great Job Lynard!



JOHN MARK JACOBO
(Unit Office: Quezon)



MICHAEL JUN BARQUILLA
(Unit Office: Rizal)

TOP PERFORMING OPERATIONS STAFF

BEST PROGRAM SUPERVISOR



Noli is the Program Supervisor of Rizal Unit Office in Palawan since 2015. He consistently maintained the good operational performance of the Unit Office. As a leader, he shows genuine concern to both staff and clients. With his degree in Bachelor of Science in Agriculture and experience as a crop specialist, he is generous in sharing his knowledge in helping clients with their crop yield. He freely gives agricultural technical advice both to his program officers and clients, be it in the office or in the field. Thus,

clients appreciate him very much as he goes to them. He shows concern; while it is in his very nature to help, being a farmer himself. It is a joy for him to see farmers, his clients to rise above their present condition. To serve, therefore, is something he enjoys doing.

For the people he works with, Noli is a dependable and flexible comrade. He knows what is good for his Unit Office and he would not beat around the bush to act, keeping in mind always to observe organizational policies and systems.

Noli has the balance of both soft and hard leadership power. He is strict to his people in terms of their operational performance and at the same time stands by to support them in every way. He influences people by showing a good example to them all; something worthy of emulation. Keep it up Noli!

ORGANIZATIONAL HIGHLIGHTS – OPERATIONS

BEST BRANCH MANAGER



Johnel has come a long way from first being hired as a Program Officer in 2011, to being the Branch Manager of the consistently top performing branch of ECLOF Philippines in the last 2 years. Johnel's rise up from the ranks is marked with strong leadership skill, which is reflected in the consistently good operational and financial performance of the branch he handles – South Palawan Branch (SPB). What's more noteworthy of this achievement is that SPB came from a lowest point having double digit Portfolio-at-Risk and financial losses a few years earlier.

How, with his team, he was able to improve the standing of the branch is really commendable.

Johnel started working with ECLOF Philippines as a Program Officer of Quezon, Palawan Unit Office. After two years, he was promoted as the Program Supervisor of the same Unit Office, and later, spearheaded the opening of Rizal Unit Office. During this time, he was juggling management duties between the two Unit Offices. The distance between Quezon and Rizal Unit Offices is about 70 kilometers and Johnel travels through motorcycle in rough roads. Even with the challenge of distance and means of transportation, Johnel was able to increase the collection rate of Quezon Unit Office while maintaining Rizal's good performance. This achievement coupled with his passion and tireless service to both clients and the organization led him to be promoted as Branch Manager of South Palawan in 2015. Johnel shared, "Being promoted as a Branch Manager is my greatest achievement -- a reward from God for all my hard work."

For the past five years, Johnel finds fulfillment in serving other people – clients, communities, the organization and its staff. He was able to develop three of his Program Officers to be Program Supervisors, who now lead the three Unit Offices of South Palawan Branch. For him, helping others gives him joy and satisfaction. Congratulations Johnel!

ORGANIZATIONAL HIGHLIGHTS – OPERATIONS

➔ OPENING OF TAYTAY UNIT OFFICE AND AREA SATURATION

2017 is a year of expansion and area saturation in ECLOF as it continues to implement its strategic plan. During the 1st quarter of the year, Taytay, Palawan Unit Office was opened that catered to both municipalities of Taytay and El Nido – providing ECLOF loan products and services to farmers and entrepreneurs.

In 2017 as well, ECLOF implemented a new branch set up that aims to facilitate its strategy of expansion through saturation. Two Unit Offices became branches namely, Marikina and Cainta. Branch consolidation was also done to improve operations management resulting to Baguio-Atok Branch; La Union Branch; and Tanay-Infanta Branch.

All of these were done in order to promote effectivity of service and efficiency in terms of cost for ECLOF.



Opening of Taytay Unit Office

➔ ANNUAL REVIEW AND PLANNING

Before 2017 ends, ECLOF management team and leaders of the operations department gathered for an annual review and planning. The group reviewed the year's operational plan and formulated strategies for 2018: rehab portfolio, systems standardization, saturation/consolidation, and expansion as branch. Leaders brainstormed on targets, budgets, and activities for 2018 in line with the following Key Result Areas:



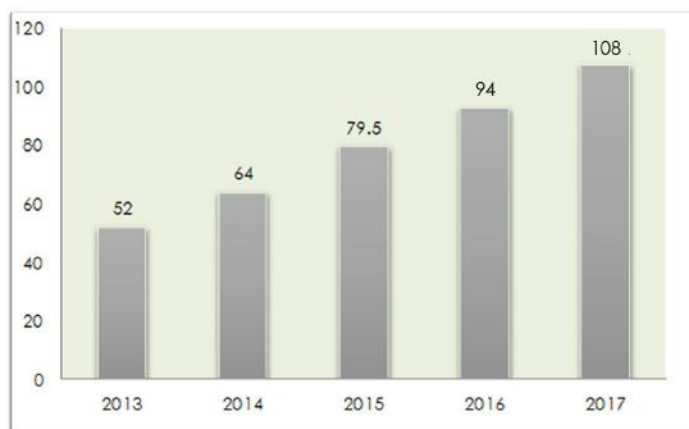
Annual Review & Planning

1. Organizational Culture that is consistent with our Core Values
2. Expansion through Growth Areas
3. Quality Portfolio
4. One-Stop-Shop Implementation
5. Active Partnership and Networking
6. Compliance with Microfinance Standards
7. Effective and Efficient System and Procedures
8. Transition and Set-up of ECLOF Financing Company

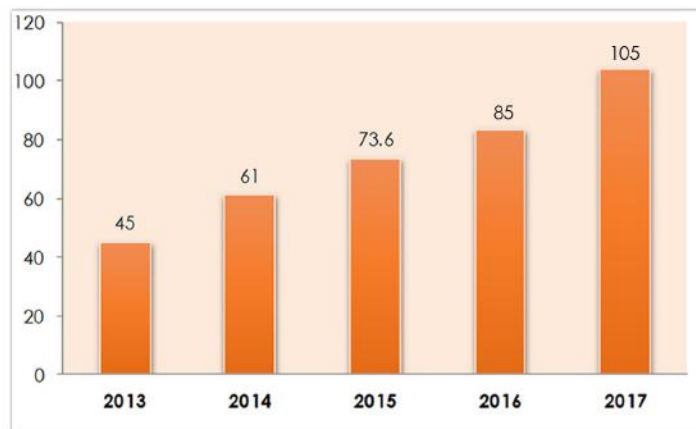
2017 PERFORMANCE HIGHLIGHTS-FINANCE

Summary of Revenue and Expenses (in millions PhP)	2013	2014	2015	2016	2017
Total Revenue	52	64	79.5	93.5	108.3
Total Expenses	45	61	73.6	84.5	104.8
Net Income/(Loss)	7	3	5.8	9.0	3.5
OSS	116%	105%	108%	111%	103%
FSS	112%	104%	106%	109%	96 %
OCR	34%	33%	35%	36%	31 %

As a result of increased loan portfolio, ECLOF's total revenue has also increased for the last five years with an annual growth rate of 20%. The highest total revenue was registered in 2017 with PhP108.3 million. While revenue increased, the total expenses also increased at an average of 24% every year. The increase in expense was a consequent effect of the growth in loan portfolio, additional staffs were hired and new offices were opened. ECLOF also invested in developing its new and existing staffs.



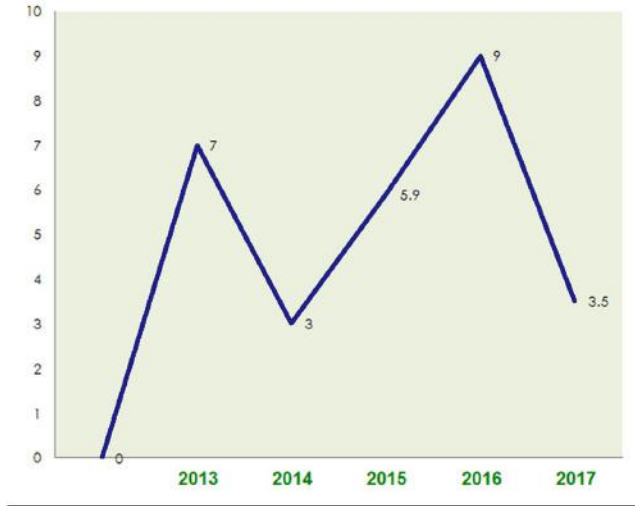
Total Revenue



Total Expenses

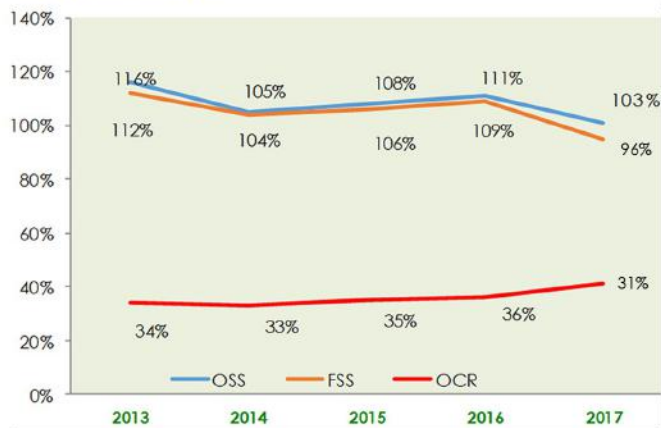
2017 PERFORMANCE HIGHLIGHTS-FINANCE

NET INCOME / (LOSS)



With the increasing total revenue, more than enough to cover its total expenses, ECLOF has consistently generated net income for the last five years ranging from Php3 million to Php9 million, with the lowest in 2014 and the highest in 2016. However, it's notable that despite earning the highest revenue in 2017, the year registered the second to the lowest net income for the last five years. As ECLOF fully transitioned its portfolio mix to 60% Agri:40% MNS loans in 2017, additional staffs were hired but behind schedule, which resulted to higher personnel and training expenses but lower than expected productivity level. Nonetheless, these new staffs are expected to reach their target productivity levels by 2018.

OSS, FSS AND OCR



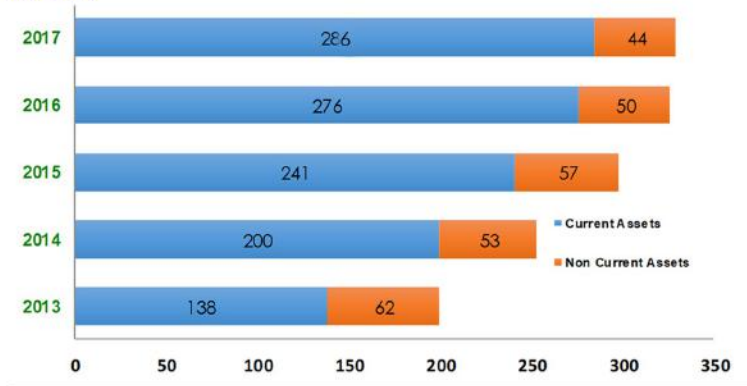
Looking at ECLOF's Operating Self-Sufficiency (OSS) rating for the last five years, ECLOF was able to reach above 100% rating ranging from 103% to 116%, with the lowest in 2017 and highest in 2013. With the OSS ratings achieved by ECLOF, it showed how ECLOF was able to sustain itself and cover its operational expenses, loan loss provisions and financial costs. However, ECLOF is yet to consistently achieve the standard ratings of 110% as set for MF NGO by regulating bodies (e.g. SEC). Financial Self-Sufficiency (FSS), on the other hand, which measures sustainability of MF NGOs after adjusted costs brought by inflation and market interest rates, was also above the standard of 100% except for 2017. Lastly, the Operating Cost Ratio (OCR) increased, ranging from 33% to 36%, with the lowest registered in 2014 while the highest was in 2017. The standard rate of 30%, which indicates a good measure of the efficiency of the lending operations, is yet to be achieved.

2017 PERFORMANCE HIGHLIGHTS-FINANCE

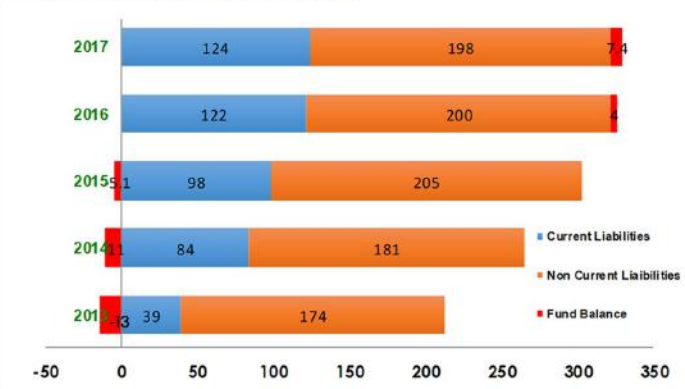
Summary of Financial Position (in millions PHP)	2013	2014	2015	2016	2017
Current Assets	138	200	241	276	286
Non-Current Assets	62	53	57	50	44
TOTAL ASSETS	200	254	298	326	330
Current Liabilities	39	84	98	122	124
Non-Current Liabilities	174	181	204	200	198
TOTAL LIABILITIES	214	265	303	322	322
FUND BALANCE	(14)	(11)	(5.1)	3.9	7.4
	200	254	298	326	330

ECLOF's financial position continued to improve for the last five years, also as a result of the growth in loan portfolio, as its most significant financial asset, which increased from PhP159 million to PhP259 million. Total assets annual average growth rate was 14%, noting that while current asset has increased from PhP138.0 million to PhP286 million, non-current asset decreased from PhP62 million to PhP44.0 million. This is primarily due to intentional decline in Institutional and SME loan portfolio, which is a main source of long term loans receivable. These types of loans will be transitioned to ECLOF Financing Company (EFC) by 2018.

ASSETS



LIABILITIES AND FUND BALANCE





2017 PERFORMANCE HIGHLIGHTS-FINANCE



To fund ECLOF’s growing loan portfolio, it mainly sourced its funds from borrowings, hence the increase in total liabilities from PhP214 million to PhP322 million, an average annual growth rate of 11%. Note that non-current liabilities, which is a large portion of total liabilities, includes PhP146.0 million fund held in trust from ECLOF International (EI).

Finally, the PhP20 million negative fund balance in 2012 was wiped out starting 2016 as ECLOF continues to generate net income from its operations, ranging from PhP3 million to PhP9.0 million annually. Truly, the work of the Lord’s laborers will not be in vain [1 Corinthians 15:58].



ECLOF continues to aggressively promote its advocacy on organic farming to clients, communities, and staff in 2017. ECLOF partnered with organic practitioners in delivering these advocacy activities:

L.I.F.E. PROGRAM



Orientation on Organic Farming to GA Members

- Orientation on Organic Farming to GA Members – ECLOF General Assembly members participated in an orientation on organic farming facilitated by ECLOF last May 26, 2017. This is in part of providing services to GA members and engaging them to participate in delivering ECLOF programs and services. ECLOF invited Mr. Jefferson Laruan as resource person. Mr. Laruan is an organic farming practitioner and trainer from Benguet. He owns an organic farm called Lily of the Valley.

- Training Events on Leadership and Basic Management – ECLOF continues to expand its non-financial services to clients with its leadership and management training to farmer group leaders in Bauang, La Union last March 21-22, 2017 and Infanta, Quezon last March 28-29, 2017. The training aimed to help farmer-leaders understand basic management functions and timeless leadership principles. ECLOF invited Mr. Jefferson Laruan as resource person for the training in Bauang; while, Mr. Donato G. Alcoba, Jr. and Ms. Liza D. Eco gave the input in the training in Infanta.



Training Events on Leadership & Basic Management



Training Events on Basic Organic Farming

- Training Events on Basic Organic Farming – ECLOF team went to train another set of farmers and clients on Basic Organic Farming. These training events were geared towards fulfilling the mission of ECLOF of contributing to the country's food security and promotion of good health of every Filipino. Mr. Primo Suza, ECLOF Farm Officer, discussed principles of organic farming and taught how to make organic concoctions to participants.

For 2017, a total of 183 clients were trained through 4 training events conducted in Bauang, La Union (March 22-23, 2017); Infanta, Quezon (March 29-30, 2017); LIFE Farm, Palawan (June 29-30, 2017); and Tanay, Rizal (October 5-6, 2017).

- A Day in the Farm – Staff also participated in ECLOF advocacy activities through A Day in the Farm activities in ECLOF farms. The activities were aimed to get staff experience various farming activities and learn more about organic farming. Staff gathered per area in ECLOF LIFE Farm in Palawan (June 9, 2017); ECLOF lot in Calauan, Laguna (July 14, 2017); ECLOF Demo Farm at BSU, Benguet (July 21, 2017); and ECLOF Model Farm in Infanta, Quezon (October 21, 2017).



A day in the farm



Inauguration of ECLOF Model Farm in Infanta, Quezon

- Inauguration of ECLOF Model Farm in Infanta, Quezon – ECLOF partnered with Mr. Quirino Sanchez to establish an ECLOF Model Farm – a first in the organization. Mr. Sanchez is a client of ECLOF Infanta Unit Office. The inauguration held last October 21, 2017 was participated by ECLOF CALABARZON Area staff, some members of the Ugnayan and Magsikap (the organization of Mr. Sanchez), and youth from the community. ECLOF on its part, helped construct a training station in the farm which will be used as a venue for farmers and community members to learn about organic farming and other sustainable livelihood activities.

CLIENT SERVICES



Mother's & Father's Day



Medical Mission in Nueva Viscaya



Outreach activity to IPs in General Nakar, Quezon



Client's Day in Abatan



Christmas 2017 Outreach Activities

Consistent with the organization's desire to better serve its clients, ECLOF organized several client services activities to support clients in non-financial needs and boost ECLOF's image and reputation in its areas of operations.

- Mother's and Father's Day Celebration in ECLOF Unit Offices – In view of the Mother's (May 14, 2017) and Father's (June 18, 2017) Day celebration, ECLOF Unit Offices gave simple tokens of appreciation to mother and father-clients visiting the office. This is a way of ECLOF to express its value for clients through relevant and thoughtful services to clients and to the communities it operates.

- Medical Mission in Nueva Vizcaya – ECLOF, in partnership with LIFELINE Foundation, delivered health and dental services in Nueva Vizcaya last October 1, 2017. Doctors, dentists, volunteers and ECLOF staff were all ready and happy to receive clients and their family members and other community members. Also provided in the medical mission were free medicines, educational talks about health hazards of pesticides, oral health, free haircut and circumcision. Umbrellas and bibles were given as tokens courtesy of sponsors – County Bankers Insurance Corporation and Philippines Bible Society. A total of 301 individuals were served – kids, adults, and elders!

- Outreach Activity to Indigenous Peoples in Gen. Nakar, Quezon – ECLOF South Luzon staff organized a client service activity last October 20, 2017 for an indigenous group in General Nakar – the Agta. The Agta live in communities in the mountainous parts of Eastern Luzon. A number of members of this Agta community are ECLOF clients through its Micro Negosyo at Serbisyo – Group Loan (MNS-GL) program.

ECLOF South Luzon staff prepared bible story reading for the little children, different parlor games for the kids, and used clothing for everybody in the community.

- Client's Day in Abatan – To celebrate the blessing of 15 years, ECLOF conducted a client's day for the loyal clients of Abatan Branch last December 1, 2017. ECLOF prepared a day's activity of pampering loyal clients. Invited resource speaker Mr. Jefferson Laruan shared his expertise and experience on how to improve an agri-business. The top 20 loyal clients were given special token of appreciation and everyone enjoyed the free haircut, manicure & pedicure, and massage. They also all go home with ECLOF canvas bag with ECLOF notebook and ballpen, and bible from the Philippine Bible Society. Throughout the activity, ECLOF prepared a market/display area for selected clients to sell their products/produce.

- Christmas 2017 Outreach Activities – To share the spirit and message of giving of Christmas, ECLOF conducted different outreach activities in selected communities. The outreach activities were done by branch staff and benefited families & communities that include indigenous communities, churches, schools and urban poor families.



ECLOF general assembly members, staff and guests gathered last May 27, 2017 at Luxent Hotel, Quezon City for its 22nd General Assembly. ECLOF staff were dressed according to the attire that represents their areas – North Luzon in Igorot attire, South Luzon in Barong Tagalog and Filipiniana, Palawan in ethnic attire, and Head Office in corporate attire.

This year's theme was "Moving Forward: Unity in Diversity." Rev. Ferdinand Mercado of the Iglesia Evangelica Metodista En Las Islas Filipinas (IEMELIF) gave the biblical reflection of 1 Corinthians 12:4-6; "There are diversities of gifts, but the same Spirit. There are diversities of ministries, but the same Lord. And there are diversities of activities, but it is the same God who works in us all."

Atty. Floyd P. Lalwet, Chairman of the Board, gave the welcome remarks, followed by the keynote address of Hon. Lerey A. Panes, Assistant Secretary for Planning and Project Development of the Department of Agriculture (DA). Asec Panes shared that the DA and the current administration is targeting to make food affordable and available widely. To do this, they are working towards empowering the farmers by modernizing the means of agricultural production and supporting them in marketing. But he emphasized that all this could only be made by changing the consciousness of the people and changing the environment. Thus, it is about dealing with the system and dealing with the people in the system. He also highlighted the importance of synergy between and among members of society. In closing, Asec Panes encouraged everyone to make a difference but to be practical as well.

Then, as a symbolic act of unity in diversity, members of the General Assembly through their representatives introduced their organization to the body, then posted their organization's logo to the solidarity arrow prepared by ECLOF.

In the afternoon, the business session was spearheaded by Atty. Lalwet, Executive Director Ms. Rosemarie C. Castro, and Corporate Secretary Ms. Mary Jane Baldago. This was followed by the awarding of certificates of recognition to the top performers of 2016.

ORGANIZATIONAL HIGHLIGHTS – HUMAN RESOURCE HIGHLIGHT

ECLOF Philippines, by the end of 2017, consisted of 263 human resource complement. Majority of the staff are in operations while the rest are support staff. This increase of staff by 32% was largely due to ECLOF's strategic plan to expand its areas of operation and offer multiple products to clients and communities.

A total of five staff development training events were conducted during the year. All were consistent on ECLOF's expansion strategy and implementation of portfolio mix. These were Branch Management Training on Managing Portfolio Mix, Finance and Admin Training, Unit Office Management Training, Training of Trainers on ECLOF Branch Operations, and Product Roll Out.

ECLOF likewise gave time for teambuilding activities. These activities were aimed to building organizational camaraderie and unity. ECLOF staff enjoyed and found rest in the company of one another outside usual work spaces.



Branch Management Training on Managing Portfolio Mix



Finance and Admin Training



Product Roll Out



Training of Trainers on ECLOF Branch Operations



ORGANIZATIONAL HIGHLIGHTS – HUMAN RESOURCE HIGHLIGHT



Unit Office Management Training



North and South Luzon Teambuilding



Palawan Teambuilding



HO Teambuilding



LOYALTY AWARDS

Mark Anthony Gonzales	Branch Manager	10 years
Elmer Liwan	Program Supervisor	5 years
Mary Jane Lagan	Finance and Admin Associate	5 years
Primo Suza	Farm Officer	5 years
Angelito Masinsin	Program Supervisor	5 years
Eureka Pesigan	Internal Audit Manager	5 years
Michael Parreño	Program Officer	5 years

CLIENT STORIES

A business only thrives as long as it has loyal clients. As ECLOF grows older every year, so its pool of loyal clients also grows. This year's client stories features loyal ECLOF clients, who ECLOF has supported through its different loan products.

**MARY BACDAYAN**

(Unit Office: Buguias 1, North Luzon Area)
Loan Product: **Agri-MF**

Mary Bacdayan is a vegetable farmer in Tip-anan, Buguias, Benguet. Being a farmer, she tills the soil, sows the seeds of food staples, and provides not only for her family but for the hungry nation in need of sustenance.

Mary has six full-grown children -- four girls and two boys; and she was able to send them all to school. "Sending them to school is one of my greatest accomplishments in life. My dream is to see them all graduate from their chosen courses and eventually, have a stable job", she declared. Another accomplishment of Mary was when she was able to build another house for her family, which they are presently staying. She acquired the house through the money she got when she sold her harvested potatoes at the highest price.

Mary got her 1st loan from ECLOF in 2011 through Buguias 1 Unit Office. She used it for additional capital to buy farm inputs. By joining ECLOF, she learned the true value of managing her cash flow; that is why none of her children stopped schooling. This she is thankful for and continues to work hard for.

**TEODORO CARLOS**

(Unit Office: Narra, Palawan & Inter-island Area)
Loan Product: **Agri-MF**

Teodoro Carlos is a rice farmer in Narra, Palawan. He was not able to finish his studies; but he learned to explore the available opportunities that life has to offer and use it to his advantage in order to give his family a comfortable life. He and wife Linda has nine full grown children – six boys and three girls. His fifth child graduated college last March 2017; while his youngest child will be graduating this year. "That was my greatest achievement. I was able to send them to school," he narrated. The rest of his children have their own families and living next beside their house.

Teodoro is also blessed to have his house improved. "Before joining ECLOF, our house was made of wooden walls and our roof was made of Nipa hut." The money he saved from the interest was used to renovate their house. "Now, our house is made of concrete wall and metal roofs!" he proudly said.

Teodoro first heard about ECLOF through his farmer-friend. He immediately grabbed the chance to borrow some money from ECLOF Narra Unit Office; as before he used to constantly borrow from informal money lenders with high interest rate. The first loan he got from ECLOF in 2013 was used to buy crop fertilizers and pesticides. Since he joined ECLOF, he has not borrowed from informal lenders again.

CLIENT STORIES

**MA. ROSALIE REYES**

(Unit Office: Marikina 1, South Luzon Area)
Loan Product: **MNS-JobGen**

Rosalie describes herself as a practical woman. She has to because raising 3 children on her own is no small feat. She is an accountant. She used to work with a company in Makati but decided to leave to focus on growing her accounting service business. Her client base slowly grew mostly through referrals.

She became a client of ECLOF through her cousin who was also an ECLOF client. She used her loan to grow her accounting service business. Now, she has an office space in San Mateo, Rizal and 1 regular staff. She also has two (2) on-the-job students to assist her, with one of them, her daughter. Her business serves around 28 companies from Valenzuela, Caloocan, Marikina, San Juan, Pasig, Makati, and Bicol. She plans on putting up an office in Bicol in the near future. In addition, she has other business to manage: personal collection and tupperware dealership – which she currently have 5 active dealers. She is also an insurance agent – her perspective with insurances being an investment. With this, she took multiple insurances for her loved ones.

What she likes most about ECLOF is the Collateral Build Up (CBU) and Microinsurance programs. She highlighted that ECLOF has a means to help clients save (CBU) and prepare for any eventuality (Microinsurance). She's also proud to have referred ECLOF to a lot of people because she herself believed in its products and services.

**REYNALDO DOMINGO, JR.**

(Unit Office: Marikina 1, South Luzon Area)
Loan Product: **MNS-JobGen**

Mr. Domingo is now retired from his usual work in his soft drink business. Yet, he started with humble beginnings. He recalled he got the idea from their previous renter who works in a soft drink company. He was told to collect empty soft drink bottles. He went from junk shop to junk shop and he would pay the kids in their village to clean the dirty bottles. When he had enough empty bottles, he contacted the bottling company and started becoming a distributor. Through years of hard work and team work with his wife, Mr. Domingo has reached success. His soft drink business is known in the area and he was able to put up apartment units and invest a grab car. He's thankful for ECLOF in supporting him in his business endeavors.

Now, all of his children have finished their studies, working and building their own respective families. All that is left then is his bucket list of an out-of-the-county trip together with his family.



OUR PEOPLE-STAFF



ABATAN



BAGUIO -ATOK



NUEVA VIZCAYA



LA UNION



OUR PEOPLE-STAFF



QUEZON CITY



MARIKINA CITY



CAINTA



TANAY-INFANTA



OUR PEOPLE-STAFF



LAGUNA



NORTH PALAWAN



SOUTH PALAWAN



HEAD OFFICE



OUR PEOPLE- BOARD OF TRUSTEES



ATTY. FLOYD P. LALWET
CHAIRPERSON



MS. MINNIE ANNE M. CALUB
VICE-CHAIRPERSON



MS. CHRISTIE ROWENA C. PLANTILLA
TREASURER



REV. ELIAQUIM V. DE AQUINO SR.
MEMBER



MR. LAURO C. MILLAN
MEMBER



MR. ROGELIO G. DECAL
MEMBER



REV. DIONICIO G. SANCHEZ
MEMBER

MEMBER LIST

CHURCH AND CHURCH RELATED ORGANIZATIONS



National Council of Churches in the Philippines (NCCP)



Episcopal Church in the Philippines (ECP)



United Church of Christ in the Philippines (UCCP)



Iglesia Filipina Independiente (IFI)



The Salvation Army (SA)



Union Theological Seminary (UTS)



Iglesia Unida Ekyumenikal



IGLESIA EVANGELICA METODISTA EN LAS ISLAS FILIPINAS (IEMELIF)



Convention of Philippine Baptist Churches (CPBC)

NGOs AND POs

COOPERATIVES



ECLOF International



Consortium of Christian Organizations and Rural Development (CONCORD)



Federation of Peoples' Sustainable Development Cooperative (FPSDC)



Llanos Multi-purpose Cooperative (LLAMPCO)



Wholistic Transformation Resource Center (WTRC)



PUNLA Sa Tao Foundation



OIKOCREDIT



Old Sta. Mesa Savings and Credit Cooperative (OSMSCC)

LOAN PRODUCTS

AGRI LOANS/AGRI-MICROFINANCE

- financing facility to those engaged in agriculture to provide food and create livelihood for every family and their immediate community. The amount lent is used for agricultural production, livestock and aqua products, and asset acquisition to support the agricultural activity. Agri-microfinance products are as follows:

1

AGRICULTURAL PRODUCTION

This credit product aims to provide financing program for farmers producing:



GRAINS – such as rice, corn, and others



FRUITS – fruit trees including their by-products (such as coconut, cashew, mango, banana, citrus and others) and shrub fruits (such as strawberry, pineapple, watermelon, melon and others)



VEGETABLE – such as chopsuey, pinakbet vegetables and others



FLOWERS & HERBS

2

LIVESTOCK & AQUA PRODUCTS

This credit product covers production and processing of by-products of:



POULTRY – Chicken, duck and others



LIVESTOCK – hogs, goat and others



CATTLE – Carabao or Cow



AQUA PRODUCTS – fish, shrimp, crab cages, seaweeds, shells and others

3

ASSET ACQUISITION

This credit product covers:



LAND ACQUISITION and/or improvement for farming purposes (such as direct acquisition, titling, greenhouse, solar dryer construction and others)



FARM MACHINERY and/or equipment such as thresher, water pump, hand tractor, harvester and others



VEHICLE for farm produce transportation



ENTREPRENEURIAL LOANS/MICRO NEGOSYO AT SERBISYO (MNS) LOANS

are categorized into three



GROUP LOAN aims to generate micro livelihood businesses and economic productivity to clients who want to start their own businesses.



INDIVIDUAL LOAN to provide additional working capital to strengthen existing businesses or enterprises.



JOB GENERATING LOAN provide additional capital to individuals engaged in businesses that generate jobs, if not undergo strengthening and primarily needs to increase their working capital or buy fixed assets for the business.

OTHER PRODUCTS



CLIENT SERVICE LOAN (CSL) is an extended financial service facility that addresses emergency or improvement needs, including hospitalization of any family member, calamity, burial assistance, education (such as tuition fees), house repair/renovation and appliance purchase to loyal clients with excellent current EP credit history.



SMALL & MEDIUM ENTERPRISE LOAN (SME) is designed to give financing facility to small and medium enterprises to support their business expansion and augment their working capital. SMEs play a vital role in the local economy in terms of employment and growth. Aside from stimulating entrepreneurship and innovation, SMEs also contribute to the expansion and diversification of markets and increase in savings rate and investment base.



INSTITUTIONAL LOAN (IL) is intended for churches, schools, cooperatives and non-government organizations (NGOs). It is divided into two (2) categories: General Capital Loans for Church/School infrastructure projects and Development Capital Loans for re-lending fund of Cooperatives and NGOs and for income-generating projects of schools and churches.

AREAS OF OPERATION

PALAWAN AREA

North Palawan		
Puerto Princesa City	Unit 206, 2 nd Floor, Goland Bldg., National Hi-way cor. Malvar St., Puerto Princesa City, Palawan	(048) 434-8045
Narra	Malvar Ave., Poblacion, Narra, Palawan	0930-491-3410
Taytay	Babes Ann Apartelle, National Highway, Purok 6, San Lorenzo, Brgy. Poblacion, Taytay, Palawan	0917-110-1255
South Palawan		
Brookes Point	Modelo 11 Bldg., Narrald St. District 11, Poblacion, Brookes Point, Palawan	0946-983-4430
Quezon	2 nd Floor, TGT Bldg., Poblacion, Quezon, Palawan	0907-709-7611
Rizal	Lubaton Bldg., Punta-Baja, Rizal, Palawan	0909-949-3013

HEAD OFFICE

Ground Floor, United Church of Christ in the Philippines Building,
877 EDSA, Quezon City

☎ Telefax: (02) 961-1600

🌐 www.eclof.com.ph

NORTH LUZON AREA

Abatan Branch		
Buguias 1	3 rd Floor Mariano Cobcobo Bldg., Abatan,	0909-113-6335
Buguias 2	Buguias, Benguet	0907-359-2214
Baguio-Atok Branch		
Atok	Sumakey Bldg., Paaray, Sayangan, Atok, Benguet	0946-338-0263
Baguio	Rm 209 Lyman Ogilby Bldg., Magsaysay Ave. Baguio City	(074) 442-1080
Nueva Vizcaya Branch		
Bambang	2 nd Floor Cuaresma Bldg, National Highway, Bambang, Nueva Vizcaya	(078) 392-1050
La Union Branch		
San Fernando 1	2 nd floor, Uy bldg, Catbangan, San Fernando, La Union	(072) 687-1290
San Fernando 2		

SOUTH LUZON AREA

NCR		
Marikina	3 rd Floor Maryland Bldg., 1 Gil Fernando Ave, Brgy. San Roque, Marikina City	(02) 646-0798
Cainta	4 th Floor MORE Business Center, No. 2225, KM. 23, Ortigas Ave, Extension, Brgy. San Isidro, Taytay, Rizal	(02) 571-1867
Quezon City	G/F UCCP Bldg., 877 EDSA, Quezon City	(02) 961-1600
TANAY-INFANTA BRANCH		
Tanay	Unit E, 2/F Plaza Aldea, 41 Ft. Catapusan St., Tanay, Rizal	(02) 636-6790
Infanta, Quezon	2 nd Floor Door B & C, AQC Bldg., Mabini St., Poblacion 38, Infanta, Quezon	0929-219-4030
LAGUNA BRANCH		
Calauan, Laguna	L. Geirasa St., Brgy. Silangan, Calauan, Laguna	(049) 310-1243
Sta. Cruz, Laguna	2 nd Floor Ansonpua Bldg. Calles cor. Alfonso St., Poblacion III	(049) 539-5086

VISION

Realizing human dignity

MISSION

ECLOF Philippines is committed to build communities and livelihood, which are sustainable - economically viable, socially desirable and environmentally sound.

CORE VALUES

Service with
T - Teamwork
I - Integrity
E - Excellence
S - Stewardship



AUDITED FINANCIAL REPORT

2016

MARKET

SPM

MF NGO LAW

ONE-STOP-SHOP

Value
Chain

Portfolio
Mix

Multi
Products

SYSTEM

**PRODUCT
DEVELOPMENT**

**CLIENT
RECOGNITION**

**LIFE
PROGRAM**

2015

**AREA
EXPANSION**

PARTNERSHIPS

Local

International